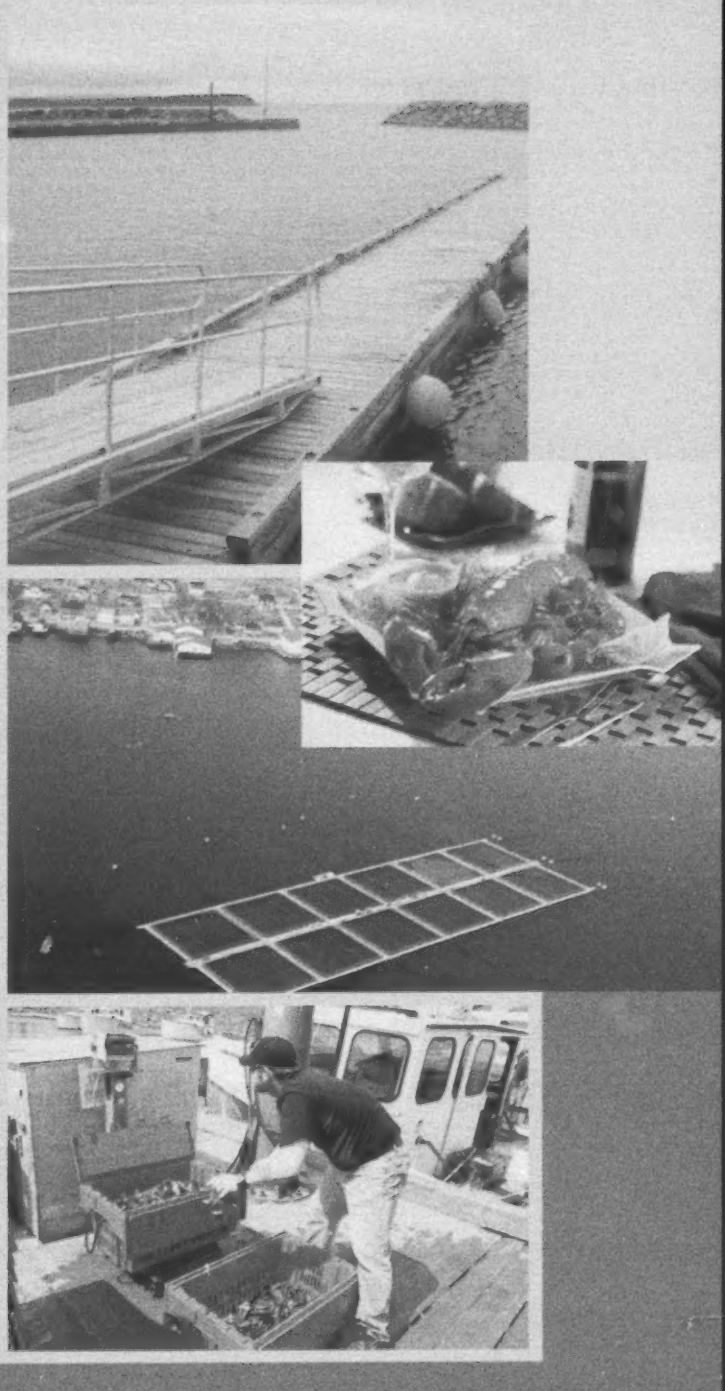
NOVA SCOTIA

Fisheries and Aquaculture

Accountability Report



for the fiscal year 2012–2013

Table of Contents

Accountability Statement 2

Message from the Minister 3

Financial Results 4

Measuring our Performance 5

Sustainable Resource Management 5

Industry Growth and Development 6

Appendix A - Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act* 10

Accountability Statement

The accountability report of the Department of Fisheries and Aquaculture for the year ended March 31, 2013 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the Department of Fisheries and Aquaculture Statement of Mandate for the fiscal year 2012-2013. The reporting of the Department of Fisheries and Aquaculture outcomes necessarily includes estimates, judgments and opinions by department management.

We acknowledge that this accountability report is the responsibility of Department of Fisheries and Aquaculture management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the department's 2012-2013 Statement of Mandate.

Sterling W. W. Belliveau
Minister

Rosalind Penfound
Deputy Minister

Message from the Minister

I am pleased to present the Department of Fisheries and Aquaculture accountability report for 2012-2013.

The fisheries and aquaculture sectors are the backbone of Nova Scotia's coastal rural communities. They are fundamental to the economic success and social fabric of our province. The seafood industry is worth more than $1 billion to the economy each year.

In 2011-2012 the legislative framework which supports the fisheries was updated, creating the *Fish Harvester Organizations Support Act* and the *Fish Harvesters Registration and Certification Act*. The department also continued to develop a strategic approach to industry growth and sustainable resource management with the Aquaculture Strategy, and ongoing work on a coastal strategy to optimize the use and protection of our coastline.

The department continued to promote local fish, seafood products and sportfishing. I encourage readers to visit the department's website at http:/www.gov.ns.ca/fish to learn more about fisheries and aquaculture in Nova Scotia.

Hon. Sterling W. W. Belliveau
Minister of Fisheries and Aquaculture

Financial Results

Fisheries and Aquaculture

	2012-13 Estimate ($thousands)	2012-13 Actual ($thousands)
Administration	601	1,727
Aquaculture	1,749	1,504
Inland Fisheries	1,974	2,242
Marine Fisheries	3,566	2,746
Product Development	909	255
Total Gross Departmental Expenses	**8,799**	**8,474**
Additional Information		
Other Fees and Charges	(893)	(914)
Ordinary Recoveries	0	(9)
TCA Purchase Requirements	95	18
Provincial Funded Staff (FTEs)	80	68

Note: Operational category changes reflect department's reorganization which occurred in fiscal 2011-12 and 2012-13.

Measuring our Performance

Sustainable Resource Management

SQUARE METERS OF FISH HABITAT RESTORED

The department administers the Sportfish Habitat Fund as the primary revenue source for the Adopt-A-Stream program, which supports projects aimed at improving access to recreational fishing. Adopt-A-Stream supports community groups working to restore and rehabilitate fish habitat. Funding for this program comes from a $5.71 levy on each angling licence sold. This investment is matched by cash and in-kind contributions from community groups on a 3 to 1 basis. The economic model for Adopt-A-Stream estimates that each square meter of restored habitat is valued at about $13.

WHAT DOES THE MEASURE TELL US?

This measure shows the number of square metres of fish and riparian habitat restored along Nova Scotia's inland waters and streams.

WHERE ARE WE NOW?

The department helped 25 community groups restore approximately 128,778 square meters of fish habitat in 2012 and plant 10,614 trees. Volunteers have worked more than 94,000 hours and restored more than 1.1 million square metres of aquatic habitat since the program's inception.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to restore 115,000 square metres annually through this program.

PERCENTAGE OF 'LOWER RISK' MARINE AQUACULTURE SITES MONITORED UNDER THE AQUACULTURE ENVIRONMENTAL MONITORING PROGRAM (EMP)

The Nova Scotia Department of Fisheries and Aquaculture (NSDFA) Environmental Monitoring Program (EMP) is conducted on an annual basis to determine the relationship between the marine environment and aquaculture. Environmental monitoring and reporting helps ensure long-term environmental sustainability and builds public confidence in the industry.[1]

WHAT DOES THE MEASURE TELL US?

The NS EMP focuses on benthic marine habitat in the immediate vicinity of the aquaculture site to ensure minimal environmental impact.

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[1]The EMP uses a risk-based approach. Higher-risk sites (usually finfish and mussel sites) are typically larger and more productive, using cages and lines. Sites are lower-risk when they are inactive or use low-density production methods, such as bottom culture and oysters.

WHERE ARE WE NOW?

The 2012 Level I EMP was conducted from July 3 to August 20 at sixteen (16) finfish sites. A combined total of eighty (80) finfish stations and thirty-two (32) reference stations were sampled. Underwater video and sediment samples were collected at each station. Underwater video was recorded and reviewed to obtain qualitative information on the condition of the benthos at each site. Qualitative information collected included: sediment type and colour, microbial presence and identification of macrofauna and flora. Surface sediment samples were analyzed to determine the oxidation-reduction potential, sulfide concentration, porosity and total organic content.

Of the Level I sites sampled, 81.25% were classified as Oxic, 12.5% Hypoxic A and 6.25% Hypoxic B. No sites were classified as Anoxic. Level II sampling was required for one (1) finfish operation that was classified as Hypoxic B to better delineate the affected area and more effectively define the zone of influence. On July 31, 2012, sixteen (16) finfish stations and one (1) reference station were sampled. Underwater video and sediment samples were collected at each station. Surface sediment samples were analyzed to determine the oxidation-reduction potential and sulfide concentrations. Of the stations sampled, 12.5% were classified as Oxic, 43.75% Hypoxic A, 36.5% Hypoxic B and 6.25% Anoxic.

Level III is required for sites that consistently fail to meet Oxic conditions and are classified as anoxic. During the 2012 EMP, no marine aquaculture sites were classified as anoxic and therefore Level III monitoring was not required.

WHERE DO WE WANT TO BE IN THE FUTURE?

Eighteen (18) marine finfish sites are scheduled to undergo EMP in 2013. The frequency of audits conducted by the Division in 2013 will increase in comparison to the number conducted in years previous to uphold the integrity of the EMP. EMP results and summaries will be disclosed on the department's website for public viewing on a yearly basis. Additionally, high-intensity shellfish operations will be subject to EMP sampling in 2013.

Industry Growth and Development

NUMBER OF JOBS RELATED TO PRIMARY AQUACULTURE PRODUCTION AND AQUACULTURE SEAFOOD PROCESSING

The department is developing a strategy for the long-term sustainable development of Nova Scotia's aquaculture industry. Industry employment figures are not expected to change significantly until the strategy takes effect in the next few years.[2]

[2] Industry statistics are currently being updated; we anticipate both production value and employment numbers to increase once updated.

WHAT DOES THE MEASURE TELL US?
This measure will capture change in the number of jobs related to Nova Scotia aquaculture.

WHERE ARE WE NOW?
Employment in 2012 was 679 jobs, up from the 2011 level of 549. This is due to a 15% increase in full-time positions, 50% increase in the number of part-time (> 6 months) positions, and 20% increase in the number of part-time (< 6 months) positions.

WHERE DO WE WANT TO BE IN THE FUTURE?
The strategy released focused on four primary areas- farming responsibly; public engagement; regulatory safeguards; and jobs and the economy. The department aims to help Nova Scotia's aquaculture industry grow in our rural communities, in a sustainable, responsible way. Reliant on this is a strong regulatory framework. The Department hired an independent panel to develop recommendations for what needs to be included in the regulatory framework for aquaculture in Nova Scotia.

VALUE OF AQUACULTURE LANDINGS

The department released its aquaculture strategy a year ago. The strategy will align with the government's *jobsHere* plan to create good jobs and grow the economy.[3]

WHAT DOES THE MEASURE TELL US?
This measure shows the dollar value of sales from Nova Scotia's aquaculture farms.

WHERE ARE WE NOW?
Nova Scotia's aquaculture industry generated $39.3 million in 2012, down from 2011 ($43.3M). This dip is natural as finfish farms have a two-year growing cycle and values fluctuate in alternate years.

WHERE DO WE WANT TO BE IN THE FUTURE?
The strategy released focused on four primary areas- farming responsibly; public engagement; regulatory safeguards; and jobs and the economy. The department aims to help Nova Scotia's aquaculture industry grow in our rural communities, in a sustainable, responsible way. Reliant on this is a strong regulatory framework. The Department hired an independent panel to develop recommendations for what needs to be included in the regulatory framework for aquaculture in Nova Scotia.

[3] Same as above.

DOLLAR VALUE OF SPORTFISHING ACTIVITIES TO THE PROVINCE

Sportfishing continues to be one of Nova Scotia's most popular outdoor recreational activities. The department participates in a National Survey of Recreational Fishing activity every five years. Among other data related to managing the sportfishery, detailed information on angler expenditures is collected.

WHAT DOES THE MEASURE TELL US?

This measure shows the value of economic activity generated by Nova Scotia's sportfishing sector.

WHERE ARE WE NOW?

Results for Nova Scotia from the 2010 national survey indicate that 57,755 adult anglers and at least 14,466 youth participated in the sportfishery, for a total of 72,221 active anglers. This represents a significant increase of 26 percent since 2005. Based on per-angler expenditure, the sportfishing sector produced $86 million in economic activity in 2010. This is consistent with the previous year's total and with the target for 2010-11.

WHERE DO WE WANT TO BE IN THE FUTURE?

The department aims to increase the value of Nova Scotia's sportfishing sector over time with continued promotions aimed at attracting new and non-resident anglers, youth and women, and the ongoing efforts to stock inland lakes and streams with appropriate salmon and trout species.

BOAT BUILDING SALES

The department continues to promote Nova Scotia's boat building sector both domestically and in foreign markets. This includes championing the industry's interests, and delivering the Boat Builders Marketing Assistance program from 2009 through 2011. Funds through this program (federal investments through the Community Development Trust) were primarily aimed at helping the sector compete in export markets.

WHAT DOES THE MEASURE TELL US?

This measure shows the dollar value of domestic and export sales from Nova Scotia's boat building sector.

WHERE ARE WE NOW?

Total boat sales were $70 million in 2012. Domestic boat sales increased to $57 million in 2011 from just over $50 million the previous year. Export sales decreased to $13 million of which over 60% is to the United States. Boat sales were buoyed by domestic orders for "big hull" fishing boats, the on-going reconstruction work on the Bluenose II schooner, and a new commercial boat order from the United States. Repair and refit work continues to represent a significant portion of this sector.

WHERE DO WE WANT TO BE IN THE FUTURE?
The department aims to encourage long-term growth in the boat building sector.

PERCENT OF FISHERIES AND AQUACULTURE LOAN BOARD PRINCIPAL IN ARREARS
The Fisheries and Aquaculture Loan Board provides stable, long-term funding to promote the growth and development of Nova Scotia's fishery and aquaculture industries. The board works with clients to establish repayment schedules and staff follow-up with loan holders who have not repaid loans according to schedule. A high level of arrears suggests difficulties in the industry, and is contrary to the government's fiscal commitment to balance the budget.

WHAT DOES THE MEASURE TELL US?
This measure shows the arrears rate on the loan board's principal.

WHERE ARE WE NOW?
The Fisheries and Aquaculture Loan Board's arrears rate in 2012-13 was 3.7 percent, slightly higher than the 3.3 percent the previous year. The arrears rate was lower than the target of four percent or less.

WHERE DO WE WANT TO BE IN THE FUTURE?
The board's target for principal in arrears is four percent or less in 2013-14. The long-term target is to reduce arrears to three percent or less.

FISHERIES AND FISH PRODUCT EXPORTS
Seafood products are Nova Scotia's second leading category of exports, and are an important industry in terms of the province's long-term economic growth. The department continues to promote seafood exports through ongoing trade initiatives such as participation in major international trade shows and incoming and outgoing buyer missions.

WHAT DOES THE MEASURE TELL US?
The measure shows the overall value of Nova Scotia's seafood exports.

WHERE ARE WE NOW?
Nova Scotia exported $922 million worth of seafood in 2012, up by 2.3% ($901 million) from the previous year. Although the global recession continues to have an impact on the export markets, Nova Scotia's seafood market has remained consistent for the past four years.

WHERE DO WE WANT TO BE IN THE FUTURE?
The department aims to see an increase in seafood exports over the long-term. Ongoing support will include targeted development initiatives to increase product values, and market diversification.

Appendix A

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

The following is a summary of disclosures received by the Department of Fisheries and Aquaculture

Information Required under Section18 of the Act	Fiscal Year 2012-2013
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing (insert separate row for each wrongdoing)	N/A
Recommendations and actions taken on each wrongdoing (insert separate row for each wrongdoing)	N/A